

POLL TAX

Handbook



POLL TAX HANDBOOK

This publication has been co-produced by
Scottish Trades Union Congress
Scottish Council for Civil Liberties
Scottish Local Government Information Unit

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INTRODUCTION

This booklet sets out to provide a layman's guide to the complexities of the poll tax in Scotland.

It is not a definitive interpretation of the legislation and should not be regarded as such, but it does set out basic information about people's rights and the consequences of failure to comply with duties imposed by the new law and regulations.

It does not attempt to cover every question which will arise in connection with the poll tax legislation. (*See chapter 14 'Any More Questions?' for ideas about where further information may be available.*)

The booklet does not deal in any detail with other related issues such as the future of business rates and central government grants to local government.

The booklet is laid out in a logical sequence so that it can be read from beginning to end. But its most common use is likely to be as a reference point for particular queries on aspects of the poll tax. To assist with this kind of use, the booklet includes a Glossary, which attempts to explain some of the local government finance jargon; an Index, to make reference simpler; and a Notes Section where enquiries and answers can be recorded.

The tax is referred to as the personal community charge by the Government and in the legislation. Most of the tax's opponents and the general public use the term poll tax. Because it is more widely understood, we have called it the poll tax, although community charge is also used where it seems appropriate.

The poll tax is a new, untried and potentially unpopular tax and its implementation is beset with practical problems. For these reasons, change is likely. Between the enactment of the Scottish legislation and the publication of this booklet, for example, there have been significant changes in registration requirements, exemptions and arrangements for payment.

"Scottish Local Government", the information bulletin published by the Scottish Local Government Information Unit, will report any major changes in the legislation and its administration. Local authorities, welfare agencies or the SLGIU itself will be able to provide up to date facts and figures on the level of poll tax, rebates and government grants at any particular time.

The booklet is jointly sponsored by the Scottish Trades Union Congress, which has taken a keen interest in all aspects of the legislation, the Scottish Council for Civil Liberties, which is particularly concerned about the civil liberties implications, and the Scottish Local Government Information Unit, which provides an information service on local government issues in Scotland.

MAIN POINTS

The primary legislation which introduces the poll tax to Scotland is the **Abolition of Domestic Rates Etc (Scotland) Act 1987**. The poll tax legislation for England and Wales was contained in the **Local Government Finance Act 1988**. This act also contained amendments to the Scottish legislation. The legislation is given further definition in a series of **Statutory Instruments**.

The main features of the legislation are:

- Domestic rates are to be abolished in Scotland from April 1989
- The Secretary of State is given the power to set an annual maximum percentage increase for non-domestic rates based on the annual rate of inflation, although the Treasury has the power to specify a lower rate
- Three categories of community charge are established:
 - a. The **personal community charge**, commonly known as the poll tax, is payable by all adults over 18 except for a relatively small number of specified exempt categories.
 - b. The **standard community charge** is payable by owners or tenants of second homes and other empty houses. The standard community charge is calculated by multiplying the personal community charge for the local authority area in which the house is located by a multiplier. The multiplier must be at least 1 and not more than 2.
 - c. The **collective community charge** is payable by the owner or tenant of premises in multiple occupation in which people are resident for short periods of time. Short-stay hostels are the clearest example of premises whose owners will have to pay the collective community charge. The owners will, in turn, collect the equivalent of the personal community charge from residents on a daily basis. The amount of collective community charge will be determined by multiplying the personal community charge for the area by a multiplier determined by the Community Charges Registration Officer. In setting the multiplier, the Registration Officer will take into account factors like the bedspaces available and likely occupancy levels.
- Persons liable to pay a personal, standard or collective community charge will, in most cases, also be liable to pay a personal, standard or collective community water charge. This will apply where the person's sole or main residence or the premises in respect of which they are liable for a standard or collective community charge have a public water supply which is not wholly metered.
- A Community Charges Register is to be established in each of the 10 registration areas in Scotland. The responsibilities of the Community Charges Registration Officer, "responsible persons" and individual residents are detailed.
- The mechanisms for levying, collecting, paying and recovering arrears of community charges are detailed.
- The level of a local authority's community charge can be reduced where its expenditure is considered "excessive and unreasonable" by the Secretary of State. The parliamentary process which has to be gone through is specified.
- Revenue support grant will replace rate support grant from April 1989. The procedures to be observed by the Secretary of State in allocating revenue support grant to local authorities are outlined.
- Provision is made for the Secretary of State for Social Services to specify a scheme of community charge rebates.

WHO PAYS THE POLL TAX?

Unless someone is in one of the exempt categories, there are two basic requirements which have to be met to be liable to pay the poll tax. These are:

- **AGE.** Anyone resident in Scotland aged 18 or over is liable to pay. Liability begins on a person's 18th birthday.
- **RESIDENCE.** Any adult who is "solely or mainly resident" in a Scottish local authority area is liable to pay the poll tax in that local authority area. Liability begins on the day that residence begins and ends on the day that residence ends and the relevant register entry is removed (*see chapter 4*).

"SOLE OR MAIN RESIDENCE"

For most people, there is a simple commonsense definition of their "sole or main residence" where they are liable to pay the poll tax.

Other groups for whom there may not be a simple definition include:

- people working away from home
- people living away from home because of marital problems
- people living with friends or relatives for an indefinite period of time.

Government Ministers have confirmed that a body of case law will have to be developed to clarify the definition in some of these situations. No-one can have more than one sole or main residence at the same time and so no-one can be liable for more than one personal community charge.

EXEMPTIONS

The following categories of people resident in Scotland are completely exempt from paying the poll tax.

- **Prisoners.** Both convicted prisoners and remand prisoners are exempt, although prisoners in jail for non-payment of a fine are not exempt. No-one in Scotland can go to jail for non-payment of the poll tax, so the question of exemptions does not arise in this case. (*see chapter 12*)

- Members of **visiting armed forces and their families.** However, other foreign nationals resident in Scotland will be expected to pay.
- Members of **international headquarters and defence organisations** and their families.
- **The severely mentally impaired.** This includes both those who are severely mentally handicapped from childhood:

"suffering from a state of arrested or incomplete development of mind which involves severe impairment of intelligence and social functioning"

and also people who in later life suffer from:

"an injury to the brain causing severe impairment of intelligence and social functioning which appears to be permanent".

People who are mildly mentally handicapped or brain damaged, or who suffer from recurrent temporary bouts of impairment, are still liable to pay the poll tax. People whose mental abilities become impaired through senility or disease are not exempt unless they are patients in a hospital, home or hostel.

To claim an exemption, the mentally impaired person must also be entitled to one of the following — invalidity pension, severe disablement allowance, unemployment supplement or allowance, or be of pensionable age.

The Registration Officer will ask for a doctor's certificate which states that one of these definitions applies. If a doctor's certificate is rejected, there is a right of appeal.

- **Children.** This category consists of 18 year olds for whom child benefit is still payable.
- **Scottish students who are studying in England, Wales or Northern Ireland** and who are resident there during term time.
- **Members of certain religious communities.** This definition is to include members of religious communities who have no income or capital. The religious communities concerned must have "prayer, contemplation, the relief of suffering or education as a principal occupation".
- **Hospital patients** who are "solely or mainly resident" in hospital.
- **Long-term patients in residential care homes, nursing homes, private hospitals or hostels.** A hostel is defined as an establishment which exists primarily to provide personal care and support, together with board, to persons who are "solely or mainly" resident. The exemption does not apply to staff who are resident in any of these establishments.

- **Volunteer residential care workers** whose income is below a prescribed amount and who are younger than a prescribed age. The cut-off age and the cut-off income are both decided by the Secretary of State, but the exemption is intended to apply to young people doing voluntary community service in return for a very low financial allowance.
- **Residents in certain kinds of Crown property** — this exemption will apply primarily to servicemen. Some exemptions will be on grounds of national security.
- **People liable to pay the collective community charge** — mainly people who are resident in short-stay hostels. In practice, such people will pay the poll tax to their landlord in daily instalments. The landlords will pay a collective community charge to the local authority.
- **People resident in properties which are subject to non-domestic rates** — mainly long-term hotel or boarding house residents. This exemption will not apply to resident hotel staff.
- **People of no fixed abode.** This applies to people who are sleeping rough.

FULL TIME STUDENTS

Full-time students will not have to pay the poll tax in full. They will be liable for 20% of the total community charge — including the community water charge — for the local authority area in which they are resident during term time.

To be "full-time" a student must be required to attend college or university for at least 21 hours a week for at least 24 weeks a year.

Colleges and universities will issue certificates to full-time students. The certificate will list the student's name, course, and college or university and, where known, date of birth and term time address, and will be proof of eligibility for the 80% student rebate.

Overseas students, and students from other parts of the United Kingdom, will also be liable for the 20% poll tax contribution.

STUDENT NURSES

The legislation allows the Government to extend the student rebate to student nurses, but they do not intend to do so until after the reorganisation of nursing training some time in the 1990s.

REBATES

A rebate scheme will be available for people on low incomes. *The scheme is described in more detail in chapter 7*, but its main features are:

- People on income support will qualify for a maximum rebate. This means they will have to pay 20% of the basic poll tax and 100% of the community water charge. Typically, this will mean that someone on maximum rebate will have to pay 25-30% of the total poll tax for the local authority area in which they are resident. The Government claim that income support has been uprated to take account of this, but this claim is disputed and is difficult to verify.
- As income increases above income support level, so entitlement to rebate is reduced until, at a given income level, dependent on personal circumstances, the full poll tax is payable.

THE REGISTER

The compilation and continual updating of an accurate community charges register is fundamental to the operation of the new system. In every local government area the register is intended to include the names, addresses, and dates of birth of everyone liable to pay the poll tax.

REGISTRATION AREAS

A Community Charges Register has been set up for each registration area in Scotland. The purpose of the register is to ensure that the tax is levied on and collected from everyone who is liable.

There are 10 registration areas:

- Borders Region
- Central Region
- Dumfries & Galloway Region
- Fife Region
- Grampian Region
- Highland Region & Western Isles
- Lothian Region
- Strathclyde Region
- Tayside Region
- Orkney & Shetland

COMMUNITY CHARGES REGISTRATION OFFICERS

The Community Charges Registration Officers (CCROs) are employees of the regional or islands councils, but the Scottish Act gives the CCRO certain powers and rights regarding the compilation of the register over which the council has little control. The CCRO is also the Electoral Registration Officer and the Regional Assessor.

The CCRO requests the resources in terms of people and equipment required to compile and maintain the register from the council. Councillors could be liable for personal surcharge if a reasonable request was refused and subsequently resulted in a shortfall in council revenue.

The CCRO's primary responsibility is to take the relevant steps required by the Act to compile and maintain the register as effectively as possible. His duties as an employee of the regional council are secondary to his duty to comply with the legislation.

After its initial compilation, the CCRO is responsible for maintaining and updating the register. He is not responsible for collecting the poll tax. That task will be carried out by the finance department of the regional or islands council.

SOURCES OF INFORMATION

The information on the Register will come from four main types of source:

- **"Responsible persons"**. Information which is provided by one or more "responsible persons" in each household in response to the delivery of a registration form during the annual canvass.
- **Official files**. Records gathered from elsewhere in the regional council, the district councils and other bodies, using the Registration Officer's powers to demand the handing over of information; plus publicly available sources such as the voters roll. The Department of Social Security will also provide the names and addresses of benefit claimants to the CCRO.
- **The general public**. Information which is gathered from individuals and information volunteered by people and organisations who are not actually required by law to give any, but who may feel obliged to do so, such as solicitors dealing with house sales.
- **Every individual**. Information about any moves of house or other changes which might affect poll tax liability, which every single individual who is on, or supposed to be on, the register is legally required to supply personally within a month of the change.

During the spring and summer of 1988 nearly every household in Scotland received a form which asked a "responsible person" to give or confirm details of the people living with them. As a result many people may have come to believe that they were being "registered" in a one-off process to launch the new tax. In fact, however, not only will this same process be repeated annually, but it will be coupled with crosschecking of other files and also with a continuous system of requiring all individuals to register their moves and changes of circumstances.

The “Responsible Person”

To produce the first register in 1988 the Registration Officers started by combining the information in the existing Valuation Rolls drawn up for the old rating system, and the current Electoral Register (voters roll). The legislation gives them a specific right to obtain and use these records. They have in any case always been publicly available.

From this beginning in March 1988 the CCROs then identified likely “responsible persons” and issued inquiry forms to them.

The “responsible person” is defined as:

- the owner or tenant of the premises
- or
- anyone else whom the CCRO chooses to designate.

There can be more than one responsible person for each household.

The responsible person has a duty to provide information on all of the adults living on the premises at the time that the form is received. This includes names, dates of birth and other information such as whether anyone is a full-time student or is in one of the exempt categories.

Between April and September 1988, each responsible person should have received an “inquiry form”, generally known as the poll tax registration form. It will in future be issued once a year to everyone on the Registration Officer’s list of “responsible persons”. It can be issued more frequently if the CCRO suspects that his information is out of date.

In some registration areas, forms are delivered door-to-door, while in others the form is posted and an envelope provided in which to return it.

On receipt of this form the responsible person has 21 days in which to return it fully completed. Any requests for it to be returned earlier have no legal force. Anyone receiving a form is invited to raise any questions about whether they should be a responsible person and also to seek clarification from the CCRO if anything else in the form is not clear.

If the responsible person does not have all the information required he or she has no specific powers to require another person resident in the premises to provide information for community charge registration purposes. However, a court would be unlikely to uphold an appeal against penalties from a responsible person who refuses to supply information which the court thought they **could** reasonably be expected to have known e.g. wife’s or husband’s date of birth.

Supplementary inquiry forms can also be sent to responsible persons. These can demand a wider and unspecified range of explanations or supporting documentary evidence for the information which they have given or the exemptions which they have claimed.

There are penalties for failing to carry out all or part of the duties of a responsible person without good reason. Initially a penalty of £50 can be imposed. Every repetition of the offence incurs a £200 penalty. If these penalties are not paid they can be collected in the same way as arrears of poll tax (see chapter 10).

These penalties are not fines for a criminal offence, but statutory civil penalties which the CCRO decides to impose. To appeal against them the person affected must raise an action in the Sheriff Court. The limits, if any, as to how long the CCRO can reasonably go on imposing repeated penalties have yet to be tested in court.

The responsible person is obliged to provide information on the other adults living in the household and can be penalised for leaving anyone out. But he or she is not liable to pay anyone else’s poll tax. The one exception to this rule is that married couples or couples “living together as man and wife” are liable for each other’s poll tax (see chapter 10).

Access to Official Files

The other sources from which the Registration Officer has been given the legal right to demand information (besides the general public itself) are these.

- The Registration Officers for other areas, so that a network allowing checking of movements around the country can be built up.
- The Registrar of Deaths.
- Educational establishments. They have to meet any “reasonable request” for information on students from the Registration Officer.
- The Department of Social Security, “notwithstanding any duty of confidentiality . . . if the Secretary of State believes it would be useful to the registration officer”.
- Local authorities, the New Town Development Corporations and the Scottish Special Housing Association, which becomes part of Scottish Homes in April 1989. They have to supply any of their files which the Registration Officer demands, provided that he “reasonably requires” them to help compile his register. The exceptions are records about their own employees and some details about some social work clients, though their names and addresses must still be supplied. These powers do not extend to police records, to which the CCRO should not have access.

District councils, for example, have been asked to supply names, addresses and dates of birth of council tenants, housing benefit claimants, holders of library tickets and members of sports and leisure centres. It seems likely that access to housing records at least will eventually be insisted upon for future updating of the register.

In no case are the bodies who are required to give information also required to inform the individuals concerned that they are giving it.

The CCRO's right of access to these sources of information — especially the electoral register, housing records and DSS claimants — means that many people will appear on the poll tax register irrespective of whether their names have ever been included on any registration form.

Compliance with these requests from the CCRO might seem to breach the Data Protection Act, because they mean that information which people have been asked to supply for one purpose will be used for another. To comply with the Act, councils may have to include on the Data Protection Register the fact that in future they will be using information for poll tax purposes, even if it is information which had already been collected. Individuals do have a right to check whether any particular types of record are registered for poll tax use (the Data Protection Act applies to computerised records only).

ACCESS	NO ACCESS
Electoral Register	Police files
Valuation Roll	Contents of some social work files other than names and addresses
Department of Social Security	Local authority employee records
Most local authority files — e.g. housing department files, library tickets, concessionary fare records — also names and addresses from social work files	1991 national census returns

Information from the General Public

There are a variety of other individuals and agencies who may supply information to the Registration Officer although they are under no legal obligation to do so. For example, lawyers may normally pass on details of house sales — as they have in the past for rates purposes.

The Individual

If anyone who is liable to pay the poll tax:

- is not on the initial register
- moves house
- or
- changes their circumstances, e.g. by ceasing to be a student, then they have a personal duty to register this fact within one month. This is not the duty of the responsible person whose duty is confined to answering enquiries from the CCRO.

Any adult who either accidentally or deliberately keeps his or her name off the register does not avoid liability to pay the poll tax. If someone is deemed to have avoided registration without good cause, or to have avoided giving information which increases their liability, then they will have to pay their tax for the entire period for which they were liable, plus interest on part of the backdated sum. If the period of non-registration is 3 months or more then an additional surcharge of 30% of the unpaid amount, or £50 if that is greater, will be imposed.

This penalty is imposed and collected by the local authority finance department, not the CCRO.

The law says that the existence of an entry is proof of liability to pay. So if someone's name is accidentally left on a register which it should not be on they will be able to claim back overpaid tax only when the CCRO backdates their deletion from the register. When moving house people should be careful to notify the CCRO (or both CCROs, if moving between regions) to avoid double entries.

When people die, the law does state that their liability ceases immediately, though executors still have a legal duty to inform the CCRO of a death.

The CCRO has an additional power which was not in force during the drawing up of the 1988 register. It was introduced by the English and Welsh Act and included in the Scottish law.

This new power allows the CCRO to request information not just from the "responsible person" but from anyone who "is, has been or is about to be resident in the registration area". The information which can be requested is such "as the registration officer may reasonably require" and "as is in the possession or control of such person".

The penalties for failing to supply information without good reason are the same as those for a responsible person who does not complete a poll tax registration form.

DUTIES OF "RESPONSIBLE PERSON" AND INDIVIDUAL

	Responsible person	All Individuals*
Duties	provide information on all adults in household when requested by CCRO	check entry in register, provide CCRO(s) with information on any changes in circumstances
Penalties for non-compliance	statutory civil penalties of £50 for first offence and £200 for subsequent offences	interest and possible surcharge on poll tax arrears
Paying the poll tax	responsible for payment of own poll tax and no-one else's§	

*Any individual can also be asked by the CCRO for any information which is reasonably required for maintaining the register. The statutory civil penalties which apply to the "responsible person" also apply to the individual in this situation.

§Although action can be taken against a husband or wife if their partner is in arrears (see chapter 10).

AMENDING AN ENTRY

The first poll tax register was published in October 1988. Following this, everybody on the register received a copy of their entry, and will do so again annually. If anyone believes that their entry is incorrect then they have a right to ask for it to be amended by writing to the CCRO. They must send a letter of appeal giving reasons and evidence for them.

If the CCRO does not accept this he must by law set a date for a hearing of which the person concerned and anyone else affected will be given notice. No rules and procedures for these hearings have been laid down, other than the rules of natural justice established at common law. There is a right to make a further appeal to the Sheriff against any decision.

CONTENTS OF THE REGISTER

The contents of the register are specified in the legislation. It should be stressed that only certain parts of the register are open to public inspection, although each individual has the right to inspect the whole of his or her entry.

Anyone is entitled to a copy of the whole of their up-to-date register entry for a fee of £1. The fee rises to £3 for a certified copy, which may be required for certain legal purposes.

In the case of the **personal community charge**, or poll tax, the register contains the name, address and date of birth of everyone liable to pay. The date of birth may be used to compile a personal identifier to keep track of poll tax payments and movements. The register will not contain information about people who are exempt from paying the poll tax.

For the **standard community charge**, the register contains the address of the premises for which the charge is payable and the address of the person who is liable.

For the **collective community charge**, the register contains the address of the premises for which the charge is payable, the address of the person who is liable and the collective community charge multiplier for the premises.

PUBLIC INSPECTION OF THE REGISTER

After 1st April 1989 a version of the register for the whole of each area, drawn up on 1st April and 1st October each year, will be available for public inspection. This will not reveal all of the information contained in the register. This version must be available for inspection at the headquarters of all regional and district councils, and will perhaps be placed in other council premises. But councils will not be permitted to sell copies.

The information available for public inspection is as follows:

- In the case of premises where the **personal community charge** or poll tax is payable — the address of the premises and the name(s) of the person(s) who have their sole or main residence there and are not exempt from paying the poll tax. Dates of birth are not shown.
- For premises where the **standard community charge** is payable — the address of the premises and the name(s) of the owner(s) or tenant(s).
- For premises where the **collective community charge** is payable — the address of the premises, the name(s) of the owner(s) or tenant(s), and the collective community charge multiplier.

There are two situations in which further information can be withheld from public inspection, without removing anyone's liability to pay the poll tax.

- People who have "reasonable cause to believe" that they are or may be at risk of violence, or threats of violence can apply to the CCRO to have their entries deleted from those parts of the register available for public inspection. This is called having a "special entry". Examples of people in this category are women in fear of matrimonial violence and certain political refugees.

- Women's refuges — premises run by voluntary organisations to provide temporary accommodation for women under threat of violence from their partners — are a special category. The collective community charge will be payable for such premises but the register will not show the collective community charge multiplier. This will ensure that the address of the refuge is relatively anonymous and will not be immediately apparent to a casual inspector of the public register.

SETTING THE POLL TAX

The poll tax payable in mainland Scotland has three component parts — the community charge set by the regional council, the community charge set by the district council and the community water charge, set by the regional council to cover the costs of water services.

In the single-tier islands authorities, there are two components — the community charge and the community water charge, both set by the islands council.

All these charges must be set by the end of January, to allow bills to be sent to poll tax payers in March. First instalments will then become payable in April, the first month of the new financial year.

POLL TAX AND RATES — THE TIMETABLES

The changeover from domestic rates to the poll tax also involves a new timetable within which local authorities have to determine their budget and issue demand notices to the public.

	FORMER RATES TIMETABLE PRE 1988/89	POLL TAX TIMETABLE 1988/89 ONWARDS
July	Secretary of State announces aggregate expenditure levels and government grant for the following financial year	Secretary of State announces aggregate expenditure levels and government grant for the following financial year
September	Scottish Office issues current expenditure guideline for each authority	
November	Notification to each authority of Rate Support Grant allocation	Notification to each authority of Revenue Support Grant allocation
January		Each authority fixes budget and sets poll tax
March	Each authority fixes budget and sets rate poundages	Poll tax demand notices issued
April	Rates demand notices issued New rate poundages come into effect	 New poll tax figures come into effect
	Normal payment method — 10 monthly instalments beginning in May	Normal payment method — 12 monthly instalments beginning in April

POLL TAX AND RATES — SOME COMPARISONS

There are obvious parallels between the process through which the level of poll tax is determined and the process currently used to set rate poundages which are used to calculate rate bills. There are also important differences between the two processes.

The major similarity is that the poll tax will now replace rates as the balancing item in the council's budget. After taking into account government grant and other sources of income, the poll tax will be set at a level which bridges the gap between income and expenditure.

It will therefore be subject to a similar range of political pressures. On the one hand, councils will want to set the poll tax at a high enough level to fund high quality council services. On the other hand, there will be pressure to hold down the poll tax to a politically acceptable level. This will be particularly true of the poll tax since it is a flat rate tax which bears most heavily on people on low incomes. Local authorities will have to make political judgements about levels of service delivery and expenditure taking these conflicting pressures into account.

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NON-DOMESTIC RATES AND THE POLL TAX

Non-domestic rates — or business rates — will continue to be paid by local businesses in much the same way, but there is a major change in the method of setting non-domestic rate poundages.

Prior to April 1989, non-domestic rate poundages were set by local authorities. From 1989, non-domestic rate poundages will be fixed by the Secretary of State.

The 12-month percentage increase in the Retail Price Index in the preceding September becomes the ceiling within which the local authority can increase non-domestic rate poundages unless the Treasury prescribe a lower ceiling. For example, the 12-month percentage increase in the Retail Price Index in September 1988 was 5.86%, so local authorities are unable to increase non-domestic rate poundages by more than 5.86% for the financial year 1989/90. Because the Government assume that the maximum increase has been levied when calculating each authority's revenue support grant, it is likely that each authority will increase its non-domestic rate poundage by the maximum permissible.

This pegging of non-domestic rates is likely to involve an inflationary spiral for the poll tax.

Local authority rate bills have risen by more than the rate of inflation in recent years. This is due, to a large extent, to the Government's failure, over a period of years, to increase Rate Support Grant in line with local government costs.

Government policy is to reduce public spending in general, and local government expenditure in particular. To achieve this objective it has brought in a series of Acts of Parliament increasing central control over local government spending. It has also steadily reduced Rate Support Grant as a percentage of relevant local government expenditure.

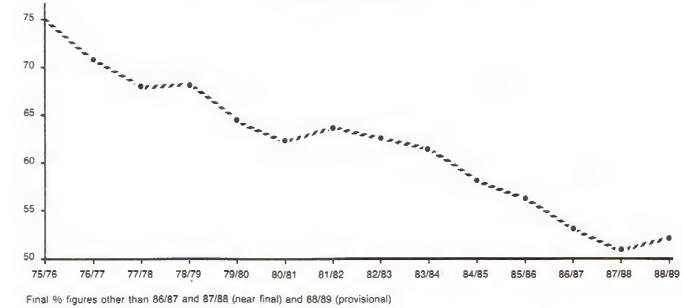
Rate Support Grant peaked at 75% of relevant expenditure in 1975/76, fell to 68.5% in 1980/81 has fallen further to 55.4% for 1989. Local authorities in Scotland have, in the main, chosen not to reduce expenditure levels in line with Government policy. They have instead chosen to maintain service and spending levels, finding the extra money by putting up the rates.

The examples below show what happens to domestic rates and the poll tax with inflation running at 5%, a standstill council budget in real terms and a 5% cut in government grant.

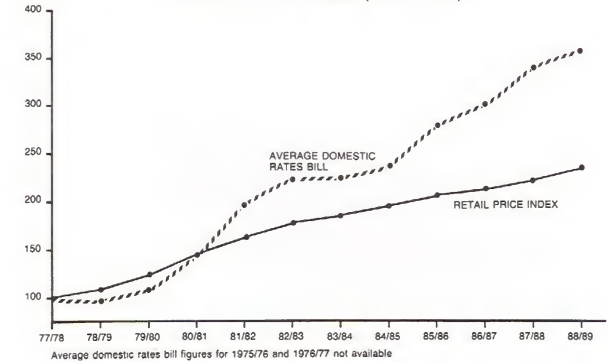
	YEAR 1	YEAR 2 OLD RATING SYSTEM	YEAR 2 NEW RATING/ POLL TAX SYSTEM
Council Expenditure	100	105	105
Government Grant	60	57	57
Business Rate Income	28	33.6	29.4
Balance	12	14.4 (Domestic Rates)	18.6 (Poll Tax)

In this example, a 20% increase in domestic rates would be required, but the necessary poll tax increase is 55%. This is because the extra local authority income — previously taken from both domestic and non-domestic ratepayers — will now come solely from the domestic sector, the community charge payers. This “gearing” or “multiplier” effect, combined with Government policies, is likely to face councils with the difficult choice between sharp increases in the level of poll tax, major cuts in spending and services, or a combination of the two.

RATE SUPPORT GRANT AS % OF RELEVANT EXPENDITURE
1975/76 — 1988/89



MOVEMENTS IN THE RETAIL PRICE INDEX AND THE AVERAGE DOMESTIC
RATES BILL 1977/78 — 1988/89 (1977/78 = 100)



CENTRAL GOVERNMENT GRANT AND THE POLL TAX

More than half of local government income in Scotland comes from **central government grants** — and the poll tax legislation introduces major changes to the system for allocating grants. This will have an effect on the amount of grant paid to different authorities and on the level of poll tax which has to be levied.

REVENUE SUPPORT GRANT

The name of the main grant is changed from rate support grant to **revenue support grant**. Under the new arrangement, the income which each council would have received from its non-domestic ratepayers is effectively paid into a national pool and redistributed to authorities on a per capita basis. What this means in practice is that authorities with a relatively high non-domestic rate income will lose and will have to raise the level of poll tax to compensate, while poll tax payers in authorities with a relatively low non-domestic rate income will gain.

Scottish Office calculations for 1989/90 show Strathclyde and Fife to be the major losers amongst the Scottish regions. Amongst district councils, Tweeddale, Nairn, Sutherland and Eastwood are the major gainers while the four cities of Glasgow, Edinburgh, Aberdeen and Dundee have most to lose.

The Scottish Office has announced a system of safety nets which offsets the gains and losses for 1989/90, but when the safety nets are removed in succeeding years, the impact on grant allocation — and therefore on levels of poll tax — will be significant.

“CLAWBACK” AND “CAPPING”

The Government argue that because virtually all adults will have to pay some or all of the poll tax and because of the “gearing” effect, councils will be more accountable and will have to reduce spending.

As a consequence, the Government have decided that the system of guidelines and “clawback” is no longer necessary. Under this system, each local authority was given an expenditure guideline. Spending above the guideline incurred a penalty in the form of a “clawback” of rate support grant. The higher above guidelines the spending, the more severe was the level of penalty or “clawback”.

From 1989, this system is done away with, although the Government have retained the power to “cap” the level of poll tax in individual authorities. Where the Secretary of State believes an authority’s spending to be “excessive and unreasonable” and his judgement is supported by Parliament, he can force a local authority to reduce its poll tax level.

REBATES

The criticism most commonly levelled against the poll tax is that it is a flat rate tax which takes no account of ability to pay. The duke pays the same as his butler, the wealthy businessman the same as his factory cleaner.

While this is true in general, there is a rebate scheme which means that people on very low incomes will not have to pay the poll tax in full.

THE 1986 SOCIAL SECURITY ACT

Prior to 1988, the poorest households qualified for 100% rate rebates. This changed in April 1988, when parts of the 1986 Social Security Act came into force. From that date, householders, irrespective of income, had to pay at least 20% of their basic rates and 100% of their water rates. The same principle applies to poll tax rebates — everyone has to pay at least 20% of the basic community charge and 100% of the community water charge. In most cases this will mean paying 25-30% of the total poll tax bill.

PRINCIPLES OF THE REBATE SCHEME

The rebate scheme is complicated and follows the model of the new rules for housing benefit. The rebate formula involves:

- a calculation of the needs allowance or "applicable amount" for each claimant — this includes a basic personal allowance and "premiums" for pensioners, dependant children, disabilities etc.
- an assessment of the claimant's net weekly income — savings are taken into account in this calculation. The first £3,000 of savings are disregarded, but for every additional £250, £1 extra weekly income is assumed and anyone with savings above £8,000 will receive no rebate.

If net income is equal to or less than the "applicable amount", then the claimant qualifies for a full rebate. People on income support are entitled to maximum rebate.

Rebate will be reduced by 15p for every £1 of income above income support levels (although a small amount of earned income is disregarded). As income rises, the rebate is reduced and at a certain point disappears completely.

It should be stressed that maximum rebate will only be available to people with incomes at or below income support levels. People on other state benefits, such as unemployment benefit, do not automatically qualify for maximum rebate. Their entitlement to rebate will be calculated on the basis of their net income and their "applicable amount".

MARRIED COUPLES

Married couples — or couples living together as man and wife — are liable for each other's poll tax. They are also subject to a joint calculation for rebates. The amount of rebate due will be based on their joint income and joint poll tax liability and will be divided evenly between them.

STUDENTS

Full-time students will pay 20% of the poll tax at their term-time place of residence. In effect they receive an automatic 80% reduction on the **whole** community charge including the community water charge.

STUDENT NURSES

The legislation allows the Secretary of State to treat student nurses in the same way as students for the purpose of poll tax rebates.

However, the Government have indicated that they do not intend to do this. Student nurses will get the same treatment as apprentices and other trainees who receive a wage. They may apply to be assessed for rebates on the basis of their income and personal needs allowance just the same as anyone else. It is expected that when nursing training is reformed and student nurses become full time students rather than on the job trainees they will receive the automatic 80% reduction.

CLAIMING A REBATE

It is difficult to make generalisations about the mechanics of claiming a rebate because the position varies throughout Scotland.

Regional councils are responsible for administering the rebate system — they were also responsible for the administration of rates rebates. The situation is complicated because district councils and other public sector housing organisations have agreed to administer rebates on behalf of the regions in some cases, but not in others.

The situation is clearest for new income support claimants. They will be able to claim a poll tax rebate at the same time as lodging their income support claim with the Department of Social Security.

Existing income support claimants, and others in receipt of housing benefit, may have a rebate claim processed automatically without any action on their part. This will depend on the administrative arrangements in operation in the local authority area in which they are resident.

Housing benefit recipients in other areas may have to submit a new claim although they should be supplied with a claim form by the appropriate regional council.

New claimants of housing benefit, who are not income support claimants could have to submit their claim via one or other of the following:

- the Regional Council
- the District Council
- the Scottish Special Housing Association (soon to become part of Scottish Homes)
- the New Town Development Corporation

The factors which will determine where the application is to be made will include:

- the local authority area in which the claimant is resident
- whether the claimant is an owner/occupier or a tenant
- if the claimant is a tenant, whether the landlord is a local authority, the SSHA, New Town Development Corporation or a private sector landlord.

In any event, local authorities, citizens advice bureaux and other welfare agencies should be able to provide advice on the mechanics of submitting a claim.

REBATES AND DEMAND NOTICES

Where a claimant is entitled to a rebate, the demand notice they receive should be for the amount of poll tax payable **after the rebate has been deducted**. There have been considerable delays in the issue of regulations by the Scottish Office. Because of these delays, and the volume and complexity of the work involved, some rebates may not have been processed in time for the initial issue of demand notes in March 1989.

REBATE CONCLUSIONS

It is difficult to give definite examples of the operation of the rebate scheme because there are so many variables involved. Calculation of rebates has to take into account the individual's detailed personal circumstances, the level of the local authority community charge and the level of the community water charge.

However, the general conclusions to emerge from a study carried out by the Scottish Local Government Information Unit in November 1988 were that:

- families, pensioners and single people would have to pay the full poll tax at relatively low income levels;
- even with rebates, the tax remains highly regressive with lower income groups having to pay a substantially higher proportion of their income in poll tax than the well-off;
- maximum rebates could still leave the poorest people with poll tax bills accounting for a significant percentage of their net income.

DEMAND NOTICES

The directors of finance in the regional and islands councils are responsible for sending out poll tax demand notices. The regions will be informed of the level of community charge set by the districts within their area. This will be added to the regional community charge and the community water charge to produce the total community charge or poll tax. For the islands authorities, the total bill will consist of the islands community charge plus the community water charge.

TIMING

Demand notices will be issued in March with the first of 12 monthly instalments due to be paid in April. If someone becomes eligible to pay the poll tax in a local authority area for part of a financial year — e.g. if they move into an area or become 18 — they will receive a demand notice calculated on the number of days in the financial year for which they are eligible. For example, if Mr X becomes 18 with 30 days to go till the end of the financial year, he will receive a demand notice for 30/365 of the annual poll tax bill.

INDIVIDUAL AND HOUSEHOLDS

Under the rating system, there was one rates demand notice for each household. Under the poll tax system, each individual in the household will receive his or her own demand notice. This will also apply in the case of married couples where each partner will receive a separate demand notice.

REBATES

Where a person has successfully applied for a rebate, the demand notice should show the net amount due to be paid after the rebate has been deducted from the annual poll tax bill.

FORMAT OF DEMAND NOTICES

The format of demand notes has been laid down in regulations which cover items such as name, address, amounts of regional, district and water community charges, methods of payment and appeal rights. In addition, a Code of Practice has been issued, with the agreement of the Convention of Scottish Local Authorities, covering additional information which must be supplied along with the demand note.

Information accompanying the demand note will include

- proposed spending on each of the main services indicating the percentage increase on the previous year,
- employee numbers compared with the previous year,
- the expenditure figure taken into account by the government in fixing the council's revenue support grant compared with the council's actual proposed level of spending — both expressed as amounts per poll tax payer,
- the average Scottish community charge for the preceding financial year (this will not of course apply in 1989/90).

POLL TAX COLLECTION

The regional or islands council is responsible for collecting the poll tax from those who are liable to pay.

Each individual is liable to pay his or her own poll tax bill.

Action by the local authority to recover arrears of poll tax will also be taken against the individual and not against the head of the family, householder or the "responsible person" for registration purposes.

JOINT AND SEVERAL LIABILITY

There is one important exception to this rule. The exception is that married couples or couples living together as man and wife, are "jointly and severally liable". This means that the local authority can take action against the wife to recover the husband's outstanding arrears or vice versa. To do this, the local authority must issue a new demand notice and there are rights of appeal on the grounds that the couple is separated.

PAYMENT OPTIONS

Once the demand notice has been received, a number of payment options are available.

- The normal method of payment is to be by 12 monthly instalments paid by cash, cheque, standing order or direct debit.
- Payment can be made in a lump sum. Councils may, if they wish, give people who pay in a lump sum by an agreed date a reward for early payment. This could take the form of a discount or of entry to a lottery, although the total cost of any "reward" scheme must be balanced by savings accruing to the authority from the early receipt of poll tax payments.
- Other methods of payment will be possible. Public sector tenants may be able to pay instalments of the poll tax at the same time as their rents, although a large number of district councils, which currently collect rates along with rents, have indicated that they do not intend to collect the poll tax. This means that, in these areas, the poll tax will have to be paid as a separate transaction from rent payments — either at a regional council office, or through a bank, post office or similar arrangement.

CONSEQUENCES OF NON-REGISTRATION AND NON-PAYMENT

Failure to comply with registration procedures and failure to pay the poll tax — whether through poverty, forgetfulness or political principle — may result in statutory civil penalties, or surcharges, or both. Continued failure to pay can result in the initiation of enforcement procedures, *which are detailed in chapter 12.*

A statutory civil penalty is a penalty levied by the CCRO and collected by the regional or islands council finance department.

These statutory civil penalties and surcharges are collected in the same way as poll tax arrears. They can be imposed in three different kinds of case:

- for failure to provide information for the register
- for arrears unpaid due to failure to register
- for non-payment of any poll tax arrears including surcharges and penalties.

FAILURE TO PROVIDE INFORMATION FOR THE REGISTER

(a) "Responsible Persons"

If a "responsible person" fails to provide the CCRO with information within 21 days of being requested to do so, he or she can have a £50 civil penalty imposed. Repetition of the offence can incur a £200 penalty. Successive further £200 penalties can be incurred.

These penalties must be imposed by the CCRO if he is satisfied that the person has "failed to comply" with the Regulations governing registration. That is, if they have no good reason for not providing the information.

(b) All persons (whether or not they are "responsible persons")

Amendments contained in the English legislation allow the CCRO to cast his net much wider. Anyone resident in the registration area can be asked to supply any information as the CCRO "may reasonably require". Failure to supply the information without good reason within 21 days results in a £50 penalty, with £200 penalties for successive offences.

Both of these penalties are imposed by the CCRO and must be collected by the local authority.

POLL TAX ARREARS DUE TO NON-REGISTRATION

If someone is deemed to have avoided registration without good cause for more than a month and as a result is in arrears, they will immediately become liable for the outstanding sum plus interest at 10% for the period after the first month. If the period of non-payment is 3 months or more, then an additional surcharge of 30% of the unpaid poll tax arrears or £50 (if that is greater) will be due.

EXAMPLE A: Mr X moves from England (where no poll tax is payable in 1989) to Scotland and fails to register. After 60 days, he is detected and placed on the register. The poll tax is £300 a year, so his liability is:

arrears	$60/365 \times £300$	=	£49.32
interest	10% of 30/60 of £49.32	=	<u>£ 2.47</u>
total			<u>£51.79</u>

EXAMPLE B: Mr Y, while resident in Scotland, has kept his name off the register. His name is now added to the register and he is 120 days in arrears. Liability is:

arrears	$120/365 \times £300$	=	£ 98.63
interest	10% of 90/365 x £300	=	£ 7.40
surcharge	£50	=	<u>£ 50.00</u>
total			<u>£156.03</u>

EXAMPLE C: Mrs Z is registered after 250 days avoidance. The poll tax is £300 per annum.

Liability is:

arrears	$250/365 \times £300$	=	£205.48
interest	10% of 220/365 x £300	=	£ 18.08
surcharge	30% of £205.48	=	<u>£ 61.64</u>
total			<u>£285.20</u>

In these examples, the total given is the amount for which the individual is **immediately** liable. They are, of course, still liable to pay the poll tax in full for the remainder of that financial year.

FAILURE TO PAY

Ultimately, failure to pay can result in warrant sales or arrestment of earnings or income support. (*These are dealt with in chapter 12*). The actual penalty for failure to pay is a surcharge of 10% on the amount outstanding plus the cost of recovery if that is necessary. The surcharge itself is counted as part of the arrears, for the purposes of collection.

The 10% surcharge for non-payment is imposed automatically. It would arise if someone fell into arrears with any three months poll tax, and had failed to pay after the notices.

The first notice gives 7 days to pay the arrears. Failing this, **the whole outstanding poll tax for the year becomes due**, on a second notice of 14 days. If this is not paid, a summary warrant can be granted, and at that time, the 10% surcharge is added to the outstanding amount.

ENFORCEMENT PROCEDURE

Arrears of poll tax must be pursued by the local authority. If any three months arrears are not paid after the 7 day and 14 day notice (*described in chapter 11*) the local authority may seek to enforce payment by summary warrant. Surcharges, interest and civil penalties will be treated as arrears for these purposes.

The local authority is under the same "fiduciary" obligation to recover these sums as any other income. Failure to take all possible action to bring in money owed to the council could result in the councillors and officials responsible being personally surcharged — that is, forced to pay the outstanding amount themselves. If this led to bankruptcy for any councillor, that would disqualify them from continuing to hold office.

STANDARD PROCEDURE

3 Months Arrears

The monthly poll tax payment will be due by a specific date during the month decided by the local authority. If a person fails to pay **any 3 months** by the due date of the third month, the local authority may then proceed to enforce payment.

7 Day Notice

After the due date of the third month of non-payment, the local authority will write to the person giving them 7 days to make the outstanding payments — that is to pay all three months arrears.

If the arrears are paid in full, within 7 days of the notice, no further action is taken.

If the arrears are not paid in full, the person becomes liable to pay the full amount of their poll tax for the entire year.

For example, if a person has failed to pay the first three instalments of a £300 poll tax, they will be asked for payment of the three instalments ($3 \times £25 = £75$) at some time shortly after the due date of the third month (June). They will be given 7 days to pay the £75. If they do not pay in full within 7 days, they then become liable to pay the full poll tax of £300 immediately.

14 Day Notice

At this stage, a notice is issued to inform the individual that the full amount of poll tax for the year has to be paid within 14 days.

If payment in full is made within 14 days, no further action is taken.

If payment in full is not made, then the local authority can petition the Sheriff for a summary warrant to recover the arrears.

In practice, providing that a suitable scheme of instalment payments is agreed, the local authority may decide not to petition for a summary warrant.

Summary Warrant

The local authority must provide the Sheriff with documentation proving that the person owes the money and that they have been sent the 7 day and 14 day notices. Then the Sheriff will grant a summary warrant to recover the whole of the year's outstanding poll tax plus a 10% surcharge plus some of the costs involved in the recovery.

This procedure does not involve a court hearing.

Summary warrant means that the local authority can proceed in three ways:

- earnings arrestment or income support arrestment;
- pawning and warrant sale;
- arrestment of assets (e.g. savings).

These procedures must be carried out by sheriff officers.

Earnings Arrestment

This would mean that an employer would have to make deductions from wages before they were paid to the employee.

The maximum deductions are specified in Schedule 2 of the Debtors (Scotland) Act 1987 and depend on the net income of the defaulter. Maximum deductions range from £1 a week for a weekly income of £35-40, to £10 a week for an income of £80-85, through to £83 a week for an income of £280-300. For incomes above £300 a week, maximum deductions rise steeply in accordance with income, (*see Appendix II for further details*).

Employers can make a charge of up to 50p for each deduction.

Income Support Arrestment

This is a new power similar to earnings arrestment. It applies to income support payments and is administered by the Department of Social Security. The maximum weekly deductions will be set by the Secretary of State.

Pounding and Warrant Sale

This means that certain goods belonging to the person can be arrested or pinded (pronounced "pinded") by the sheriff officers, who attach a notional value to each article. (These values are often less than the goods **could** be sold for). The goods would then be removed at a later date and sold at the values attached.

The procedures applying to warrant sales and a range of essential goods which cannot be seized and sold are specified in the Debtors (Scotland) Act 1987 (see Appendix III for details).

Arrestment of Assets

If the person who owes the poll tax has, for example, savings in a bank or building society, then the contents of the account can be arrested. This means that the funds are frozen, and cannot be withdrawn until the debt has been settled. The local authority would not automatically recover payment using this method, unlike earnings arrestment, but would have to raise a separate action to recover the "frozen" funds.

Costs

It should be noted that as well as the poll tax plus a surcharge of 10%, summary warrant procedures mean that the costs of recovery are also owed. This will obviously vary in individual cases, so the following indication is given for guidance only — the costs could well be more.

For earnings arrestment, the present sheriff officer's fee is around £3. If the arrestment had to be served by hand and involved a witness, this could be up to £15. These assume no great complications. A typical pinding for £400 at present could cost £65. A typical warrant sale could cost around £55.

ACTION FOR PAYMENT

In most cases, local authorities will proceed by summary warrant followed by arrestment of earnings or income support.

However, there is also the option of proceeding through a decree granted in an action for payment. This is the normal method of establishing and collecting a small debt. The summary warrant procedure is a short cut method applicable to rates and the poll tax.

Action for payment involves a hearing before the Sheriff, and, in comparison to the summary warrant procedure, is time-consuming, costly and complicated. In many cases, the costs to the local authority could be greater than the sum to be recovered.

LOCAL AUTHORITY DISCRETION

Local authorities retain some discretion in pursuing defaulters. However, this discretion has to be exercised with caution.

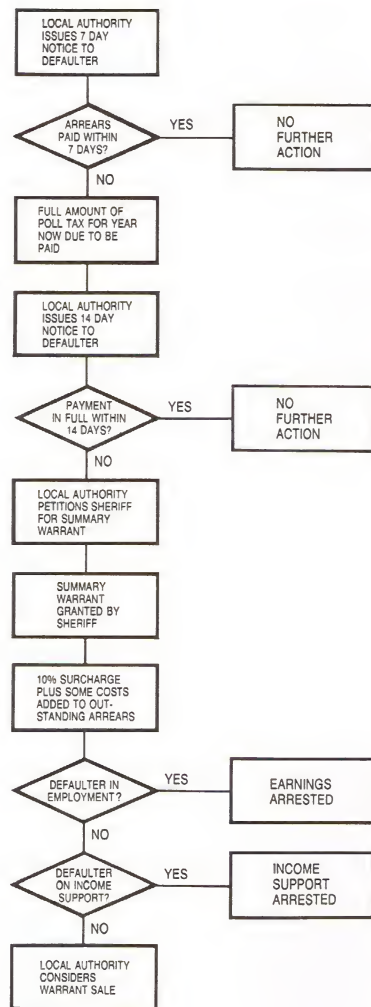
Any blanket policy of not pursuing defaulters or not pursuing certain categories of defaulters would almost certainly leave councillors open to the risk of surcharge for failing to maximise local authority income. They would be open to the same risk if they decided, as a matter of policy, that the council would never make use of any particular method of enforcement such as arrestment of earnings or warrant sales.

IMPRISONMENT

The Scottish legislation does not allow for imprisonment for non-payment of the poll tax or of associated civil penalties. Because of their different legal system, "wilful" non-payers in England and Wales can be sent to prison.

Recovery of Arrears/Civil Penalties

This diagram shows what **could** happen when community charges arrears or statutory civil penalties are recovered from a defaulter.



THE FUTURE OF THE POLL TAX — LIKELY DEVELOPMENTS

Local authority finance experts have generally been critical of the poll tax system. There has been considerable speculation about the viability of the system, how long it will last, and what it will be followed by.

REDISTRIBUTIVE EFFECT

Research has been done on the redistributive effects of the poll tax. While it is impossible at this stage to be precise about the scale of the redistribution, the trends are clear:

- **poor to rich.** There will be a redistribution of income from poor households to rich households. Under the domestic rating system, rates bills are not directly related to household income or wealth. But the bills are related to the size and amenity of the family home and, by and large, affluent households tend to live in more expensive and desirable houses than poorer families, so there is some connection between rate bills and income. Even this tenuous connection is lost with the poll tax. Families of the same size, with incomes above the rebate level, will pay exactly the same irrespective of the size and amenity of their housing. All the academic research confirms that most rich families will pay less, while most poor families will pay more.
- **family size.** Because the amount of poll tax paid in a household depends on the number of adults, one adult households will be more likely to pay less, while households with several adults will be likely to pay more.
- **grant distribution.** The changes in grant distribution formula (described in chapter 6) will penalise poll-tax payers in areas with relatively high non-domestic rate income such as Strathclyde. The gainers will be poll tax payers in areas of relatively low non-domestic rate income such as Grampian and Borders Regions.
- **between communities.** There will be big shifts in the tax burden between communities. This will happen between District Council areas and within District Council areas. The "share" of council

spending borne by each community depends under the rating system on its total domestic rateable value. From 1989, the "share" depends on the size of the adult population. The effect will be to take money out of the economy of areas of low domestic rateable value and put it into areas of high domestic rateable value.

- **from periphery to centre.** In rural areas, the tax burden will be shifted from centres of population to peripheral areas. Access to council services in centres of population in rural areas is much greater than in remote areas. In some remote areas, council services are extremely limited. Under the rating system, this can be reflected in rateable values and, therefore, in rate bills. This mechanism disappears under the poll tax system and residents in the most remote areas of Highland Region will pay the same regional community charge as residents of central Inverness. This transfer of the tax burden from the rural centres to the remote areas will be exacerbated by the removal of the crofters' rating concession. This was a concession of 50% derating which took account of the economic vulnerability of crofting communities. There is no equivalent concession in the community charge system.

INFLATIONARY SPIRAL

Under the new system, the Government have taken control of non-domestic rates, leaving local authorities with control over less than 20% of their income. The result is that very minor reductions in revenue support grant, even a failure to allow for a realistic rate of inflation, will have a multiplier effect on the level of community charge. This is because the entire shortfall has to be made up by what was previously the domestic ratepaying sector without any extra contribution from business ratepayers.

Government policy is to reduce public expenditure in general and local government spending in particular. One means by which this policy has been pursued has been the reduction, over a number of years, of the proportion of local government expenditure funded by central government grant.

Local authorities in Scotland have been reluctant to reduce expenditure and have, over the years, tended to put the rates up by more than the prevailing rate of inflation to maintain levels of expenditure and service to the public.

Given the lack of consensus on local government spending and central government grant policy, the poll tax could well be subject to a severe inflationary spiral.

COSTS OF THE POLL TAX

The poll tax will be much more expensive to administer than the rating system.

The costs of compiling and maintaining an up-to-date community charges register are considerably greater than maintaining the valuation roll on which the domestic rating system was based. This is partly because of the number of entries, but mostly because of the requirement to keep the register up to date. The valuation roll only had to be updated when houses were built, demolished or substantially altered. The community charges register has to be updated every time that someone moves house, dies, becomes 18 or does something else which affects their entry.

Likewise, the costs of billing, collecting and pursuing defaulters will be much greater.

CONCLUSION

Poll taxes have been levied in many countries, but in modern times have generally been confined to countries with underdeveloped economies where the simplicity of the poll tax is its major attraction.

As countries have industrialised they have adopted more sophisticated forms of taxation. No other developed nation relies on a poll tax as a major form of taxation and, irrespective of any arguments about the equity of the tax, there are serious doubts about whether it will provide a stable base for the future financing of local government services.

ANY MORE QUESTIONS?

This publication sets out to provide a guide to the main points of the poll tax legislation. It does not attempt to answer all the questions that have already been asked about the poll tax, let alone the questions which will be asked as the system comes into operation. Nor can it be regarded as a definitive interpretation of the legislation. Anyone in doubt about their rights or responsibilities should seek advice from the appropriate source. In some cases, this may be legal advice.

The legislation touches on such a wide range of issues and is, in some places, so complex that no single agency, and certainly no single publication, is likely to be able to provide all the answers.

However, the following organisations will be able to respond to most enquiries.

Community Charges Registration Officers will respond to enquiries about **registration** and the **register**. Regional and islands councils will be able to supply the appropriate telephone number.

Council finance departments will be able to provide information about the **level of poll tax and billing and collection procedures**.

The administration of **rebates** will vary in different areas of Scotland, but **local authorities and citizens advice bureaux** should, at the very least, be able to provide appropriate telephone numbers.

Civil liberties enquiries can be referred to the **Scottish Council for Civil Liberties** 041-332 5960.

Students with enquiries about the poll tax can contact the **National Union of Students (Scotland)** 031-556 6598.

Enquiries concerning **community care, communal accomodation** and the **single homeless** can be referred to the **Scottish Council for Single Homeless** 031-226 4382.

APPENDIX I: THE ROAD TO THE POLL TAX — SEQUENCE OF EVENTS

REVALUATION TO IMPLEMENTATION

- | | |
|------------------|---|
| 1985 | Revaluation of domestic and non-domestic properties in Scotland. This follows a previous revaluation in 1978 — England and Wales have not had a revaluation since 1973. This revaluation results in a shift of the rating burden from the industrial sector to domestic ratepayers. Even with a special rebate scheme, 100,000 households experience increases of at least 33% in rate bills between 1984/85 and 1985/86. There are significant fluctuations in the commercial and industrial sector. |
| 26 January 1986 | Green Paper "Paying for Local Government" is published. It proposes "the most radical reform of local government finance in Britain this century".

Domestic rates are to be phased out and replaced by a system of community charges. The personal community charge, or poll tax, has previously been rejected as unfair and impractical by a series of Government inquiries and commissions.

Non-domestic rates in Scotland are to be pegged to the rate of inflation pending the introduction of a common non-domestic rate poundage covering Scotland and England.

These proposals are to be implemented in Scotland before introduction in England and Wales.

Income from non-domestic rates is to be pooled centrally and redistributed on a per capita basis. This is to be phased in over a number of years. |
| 31 August 1986 | End of the consultation period. Local authorities and professional associations have condemned the proposals as unfair, undemocratic and impractical. |
| 27 November 1986 | The Abolition of Domestic Rates (Etc) Scotland Bill, has its first reading in Parliament. The Green Paper proposals have survived largely intact. |
| 15 May 1987 | Bill receives Royal Assent. |
| 3 December 1987 | Local Government Finance Bill (for England and Wales) introduced to Parliament. |

April 1988	Compilation of the new community charges register begins. The Community Charges Registration Officer (CCRO) contacts the "responsible person" in every household to get detailed information about adults resident in the household.
29 July 1988	Local Government Finance Bill receives Royal Assent. The Act, although primarily concerned with England and Wales, also contains amendments to the Scottish legislation.
October 1988	First community charges register due to be published.
October 1988 to April 1989	Everyone on the register receives a copy of their entry. Anyone liable to pay the poll tax who has not registered has a duty to do so.
January 1989	Local authorities set first poll tax levels.
March 1989	First poll tax bills are issued.
April 1989	First poll tax instalments due for payment.
April 1990	The poll tax replaces domestic rates in England and Wales.

APPENDIX II: ARRESTMENT OF EARNINGS

These tables are extracted from Schedule 2 of the Debtors (Scotland) Act 1987 and show the deductions from weekly, monthly and daily earnings in the event of arrestment of earnings.

These tables do not apply to deductions from income support which will be the subject of separate regulations.

TABLE A: DEDUCTIONS FROM WEEKLY EARNINGS

Net Earnings	Deduction
Not exceeding £35	Nil
Exceeding £35 but not exceeding £40	£ 1
Exceeding £40 but not exceeding £45	£ 2
Exceeding £45 but not exceeding £50	£ 3
Exceeding £50 but not exceeding £55	£ 4
Exceeding £55 but not exceeding £60	£ 5
Exceeding £60 but not exceeding £65	£ 6
Exceeding £65 but not exceeding £70	£ 7
Exceeding £70 but not exceeding £75	£ 8
Exceeding £75 but not exceeding £80	£ 9
Exceeding £80 but not exceeding £85	£10
Exceeding £85 but not exceeding £90	£11
Exceeding £90 but not exceeding £95	£12
Exceeding £95 but not exceeding £100	£13
Exceeding £100 but not exceeding £110	£15
Exceeding £110 but not exceeding £120	£17
Exceeding £120 but not exceeding £130	£19
Exceeding £130 but not exceeding £140	£21
Exceeding £140 but not exceeding £150	£3
Exceeding £150 but not exceeding £160	£26
Exceeding £160 but not exceeding £170	£29
Exceeding £170 but not exceeding £180	£32
Exceeding £180 but not exceeding £190	£35
Exceeding £190 but not exceeding £200	£38
Exceeding £200 but not exceeding £220	£46
Exceeding £220 but not exceeding £240	£54
Exceeding £240 but not exceeding £260	£63
Exceeding £260 but not exceeding £280	£73
Exceeding £280 but not exceeding £300	£83
Exceeding £300	£83 in respect of the first £300 plus 50 per cent of the remainder.

TABLE B: DEDUCTIONS FROM MONTHLY EARNINGS

Net Earnings	Deduction
Not exceeding £152	Nil
Exceeding £152 but not exceeding £170	£ 5
Exceeding £170 but not exceeding £185	£ 8
Exceeding £185 but not exceeding £200	£ 11
Exceeding £200 but not exceeding £220	£ 14
Exceeding £220 but not exceeding £240	£ 18
Exceeding £240 but not exceeding £260	£ 22
Exceeding £260 but not exceeding £280	£ 26
Exceeding £280 but not exceeding £300	£ 30
Exceeding £300 but not exceeding £320	£ 34
Exceeding £320 but not exceeding £340	£ 38
Exceeding £340 but not exceeding £360	£ 42
Exceeding £360 but not exceeding £380	£ 46
Exceeding £380 but not exceeding £400	£ 50
Exceeding £400 but not exceeding £440	£ 58
Exceeding £440 but not exceeding £480	£ 66
Exceeding £480 but not exceeding £520	£ 74
Exceeding £520 but not exceeding £560	£ 82
Exceeding £560 but not exceeding £600	£ 90
Exceeding £600 but not exceeding £640	£ 98
Exceeding £640 but not exceeding £680	£109
Exceeding £680 but not exceeding £720	£121
Exceeding £720 but not exceeding £760	£133
Exceeding £760 but not exceeding £800	£145
Exceeding £800 but not exceeding £900	£180
Exceeding £900 but not exceeding £1,000	£220
Exceeding £1,000 but not exceeding £1,100	£262
Exceeding £1,100 but not exceeding £1,200	£312
Exceeding £1,200 but not exceeding £1,300	£362
Exceeding £1,300	£362 in respect of the first £1,300 plus 50 per cent of the remainder.

TABLE C: DEDUCTIONS BASED ON DAILY EARNINGS

Net Earnings	Deduction
Not exceeding £5	Nil
Exceeding £5 but not exceeding £6	£ 0.15
Exceeding £6 but not exceeding £7	£ 0.30
Exceeding £7 but not exceeding £8	£ 0.45
Exceeding £8 but not exceeding £9	£ 0.60
Exceeding £9 but not exceeding £10	£ 1.00
Exceeding £10 but not exceeding £11	£ 1.20
Exceeding £11 but not exceeding £12	£ 1.40
Exceeding £12 but not exceeding £13	£ 1.60
Exceeding £13 but not exceeding £14	£ 1.80
Exceeding £14 but not exceeding £15	£ 2.00
Exceeding £15 but not exceeding £17	£ 2.40
Exceeding £17 but not exceeding £19	£ 2.70
Exceeding £19 but not exceeding £21	£ 3.20
Exceeding £21 but not exceeding £23	£ 3.70
Exceeding £23 but not exceeding £25	£ 4.30
Exceeding £25 but not exceeding £27	£ 5.00
Exceeding £27 but not exceeding £30	£ 6.00
Exceeding £30 but not exceeding £33	£ 7.00
Exceeding £33 but not exceeding £36	£ 8.50
Exceeding £36 but not exceeding £39	£10.00
Exceeding £39 but not exceeding £42	£11.50
Exceeding £42	£11.50 in respect of the first £42 plus 50 per cent of the remainder.

APPENDIX III: WARRANT SALES — ARTICLES EXEMPT FROM POINDING

Schedule 5 of the Debtors (Scotland) Act specifies a range of items which are exempt from poinding and warrant sale.

If any of the following items are reasonably required for the use of any member of the household, they cannot be poinded:

- clothing
- implements, tools of trade, books or other equipment required for the practice of a profession, trade or business providing the aggregate value is not more than £500
- medical aids or medical equipment
- books or other articles required for education or training providing the aggregate value is not more than £500
- toys for the use of a child
- articles for the care or upbringing of a child.

Where a maximum aggregate value of £500 is specified, this figure can be changed by regulations made by the Lord Advocate.

The following items are also exempt if they are in a dwellinghouse and are reasonably required for the use of a member of the household.

- beds or bedding
- household linen
- chairs or settees
- tables
- food
- lights or light fittings
- heating appliances
- curtains
- floor coverings

- furniture, equipment or utensils used for cooking, storing or eating food
- refrigerators
- articles used for cleaning, mending or pressing clothes
- articles used for cleaning the dwellinghouse
- furniture used for storing:
 - (i) clothing, bedding or household linen
 - (ii) articles used for cleaning the dwellinghouse
 - (iii) utensils used for cooking or eating food
- articles used for safety in the dwellinghouse
- tools used for maintenance or repair of the dwellinghouse or of household articles.

The Lord Advocate can alter this list by regulations.

GLOSSARY

Arrestment of benefit The deduction from income support payments of community charge arrears, surcharges and civil penalties. This can be done after the local authority has been granted a summary warrant by the Sheriff. Deductions are made before the income support payment is received by the claimant. The deductions are forwarded to the local authority.

Arrestment of earnings. The deductions from earnings of community charge arrears, surcharges and civil penalties. This can be done after the local authority has been granted a summary warrant by the Sheriff. Deductions are made before the earnings are received by the employee. The deductions are forwarded to the local authority.

Canvass. An annual survey of "responsible persons" by the Community Charges Registration Officer. The "responsible persons" are asked for information about adults resident in their household. This information provides one of the sources which are used to keep the Community Charges Register up to date.

"Capping" of the poll tax. The procedure by which the Secretary of State can compel a local authority to reduce the level of its community charge, and therefore its level of expenditure. The level of expenditure first has to be judged "excessive and unreasonable" by Parliament.

Collective community charge. The community charge payable by the owner or tenant of premises in multiple occupation in which people are resident for short periods of time. The owners will collect the equivalent of the personal community charge from residents on a daily basis.

CCRO or Community Charges Registration Officer. An employee of the regional or islands council, the CCRO's primary responsibility is to compile and maintain the Community Charges Register.

Community water charge. A flat rate payment for water services paid by community charge payers with access to an unmetered public water supply.

"Gearing" effect. The inflationary pressure likely to operate on the community charge as a consequence of the restriction of the local authority tax base. This results from the removal of the setting of non-domestic rates from local authority control.

Joint and several liability. Married couples, or couples living together as man and wife, are "jointly and severally liable". This means that action can be taken against the wife to recover the husband's community charge arrears or vice versa.

Non-domestic rates. The rates paid in respect of premises used for business, commerce and other "non-domestic subjects" such as schools and hospitals.

Personal community charge. The basic community charge payable by all adult residents, unless in an exempt category. Otherwise known as the poll tax.

Poining (pronounced "pinding"). The arrestment of goods belonging to persons against whom a summary warrant has been issued. The goods can later be sold as a means of recovering, for example, community charge arrears.

Rate support grant. The major grant provided by central government towards the running costs of local government. Rate support grant came to an end in 1988/89 and was replaced by revenue support grant.

Rebate. Rebates can be claimed by people on low incomes. If a rebate is successfully claimed, a demand note is issued for the total community charge minus the rebate for which the claimant is eligible.

Register. The Community Charges Register contains the names and addresses of everyone liable to pay one of the community charges. It also contains the date of birth of everyone liable to pay the personal community charge and other essential information, and is regularly updated.

Responsible person. A responsible person, or persons, are designated for each household by the Community Charges Registration Officer (CCRO). The responsible person is then obliged, on request, to supply the CCRO with information about all adults resident in the household.

Revaluation. A periodic reassessment of the rateable values of all properties on which rates are payable. The most recent revaluations in Scotland were in 1978 and 1985. A revaluation of non-domestic properties only is due in 1990.

Revenue support grant. The major grant provided by central government towards the running costs of local government. Revenue support grant came into being in 1989/90 as the replacement for rate support grant.

Standard community charge. The community charge payable by owners or tenants of second homes and other empty houses.

Statutory civil penalty. A financial penalty levied by the CCRO for failure to provide him with information without good reason. The penalty is collected by the regional or islands council.

Summary warrant. Granted by the Sheriff after the local authority has provided him with appropriate evidence. The summary warrant allows the local authority to proceed to recover arrears of community charge by arrestment of earnings, arrestment of income support or poinding and warrant sale.

Surcharge (on councillors). Councillors, or council officers, can be surcharged by the Secretary of State following a report by the Commission for Local Authority Accounts. Failure to maximise council income as a result of negligence or misconduct could constitute grounds for surcharge.

Surcharge (on poll tax). A 10% surcharge is added to poll tax arrears or statutory civil penalties for which the local authority is granted a summary warrant by the Sheriff. Some of the costs involved in the recovery will be payable in addition to the surcharge and the arrears.

Warrant sale. The sale of goods which have previously been pointed by sheriff officers following the issue of a summary warrant.

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CLYDEBANK FEDERATION
 of
ADVICE AGENCIES

ADVICE NOTES
ON
POLL TAX
COLLECTION
PROCEDURES

CLYDEBANK FEDERATION
 o f
ADVICE AGENCIES

GUIDANCE ON POLL TAX

This leaflet has been compiled by the various advice agencies working throughout the Clydebank area. It gives a brief outline of the procedures associated with polltax collection, however it cannot hope to answer every question raised. Therefore if you feel you need further help contact your nearest local advice centre. Addresses are given on the back. Before going into any of the collection procedures it may be necessary to ask yourself a few questions.

- 1 Is the amount being demanded correct?
- 2 Are you receiving the correct rebate?

REMEMBER

Rebates can be backdated provided you have a good reason for not applying at the proper time in the first place.

IMPORTANT

You can make an instalment arrangement with the Regional Council or the Sheriff Officers if you so wish. This should prevent any further action being taken against you.

RECOVERY OF POLL TAX ARREARS

If the arrears remain unpaid the Sheriff officer have the following procedures at their disposal to try and force payment.

- 1 Deductions from Income Support.
- 2 Pounding and Warrant Sale.
- 3 Earnings Arrestment.
- 4 Arrestment of Assets.

The method chosen will probably depend on a person's circumstances.

DEDUCTIONS FROM INCOME SUPPORT

The local authority may apply to your D.S.S. office to have deductions made from your income support. However the MAXIMUM deduction is 5 per cent of the income support personal allowance for single people over 24 - £1.84 and: 5 per cent of the highest income support personal allowance for a couple - £2.88.

Poll Tax deductions can only be made from Income Support, other benefits such as Unemployment, Invalidity and retirement, cannot have deductions taken from them.

Before the D.S.S. can make deductions from your Income Support they must take into account and deduct:-

HOUSING COSTS, RENT ARREARS, FUEL COSTS

You have the right to appeal against poll tax deductions from your income support.

POINDING AND WARRANT SALE

It should be noted that although these two actions are part of the one procedure - it does not follow that once a poinding(pronounced PINDING) has taken place your goods will be immediately uplifted and sold. It can be up to a year before a warrant to sell your goods is applied for.

POINDING

This is where a Sheriff Officer accompanied by a witness visit your home in order to poind (put a value on) any goods they are allowed to.

They cannot poind basic household goods or goods that are reasonably required by you or your household if it would be unduly harsh to sell an item.

POINDING

Generally only LUXURY goods can be poinded. You can apply to the court to have an article released from poinding however as there is a 14 DAY LIMIT on these applications from date of poinding - seek help as soon as possible.

If the Sheriff Officer does not gain entry to your home on the first visit they must give four days notice of their next visit and specify the date.

Once goods have been poinded they are seen as being in the hands of the court. If you move them from the house or damage them you could be punished for contempt of court.

WARRANT SALE

This is where the articles that have been poinded are sold. You must be given notice of the sale and a chance to object. It cannot take place in your home unless you and everyone else in your home agree. Your name does not appear in any newspapers and if the goods are sold at auction your name and address does not appear anywhere.

If the cost of the sale exceeds the value that the articles would realize - the sale must be ABANDONED.

EARNINGS ARRESTMENT

If you are working an earnings arrestment may be lodged with your employer, this instructs him to deduct a certain sum from your wages each pay day. E.G. If your net wage is £68 per week deduction would be £7. If your net wage is £135 per week deduction would be £23. If your weekly earnings are £35 or less no deduction can be made.

To carry out this type of action the Sheriff Officer would have to know where you worked REMEMBER they do not have instant access to this information.

ARRESTMENT OF ASSETS

This means that money you have in a bank or a building society could be frozen. However only the money that is in your account at the time of arrestment is affected, any money paid in after this can be withdrawn as normal.

This type of collection method is very ineffective unless the Sheriff Officer is aware of where you bank.

IMPORTANT POINTS ABOUT THE POLL TAX

- 1 No one can be imprisoned for non payment of poll tax.
- 2 Rebates are not given automatically they must be applied for.
- 3 If your circumstances change in any way CHECK to make sure you are getting the correct rebate.
- 4 If you have 3 months or more poll tax arrears you are considered to be in default. In these circumstances it may be advisable to contact your nearest advice centre with a view to setting up an instalment arrangement with the Regional Council.
- 5 Married and co-habiting couples are considered liable for each others poll tax. Therefore, if one partner doesn't pay the other can be pursued for the arrears but only after the Regional Council have pursued the non paying partner. They then must issue a new demand notice.
- 6 No warrant sale will take place in Strathclyde without each individual case being considered by a sub committee of the Finance Committee.

ADVICE CENTRE CONTACTS

CITIZENS ADVICE
42 KILBOWIE ROAD
CLYDEBANK
041-952-7923
JIM SMITH

CLAIMANTS UNION
28 LAPPIN STREET
CLYDEBANK
041-952-4107
WILLIE McCRATE

FAIFLEY ADVICE
CENTRE
31 LENNOX DRIVE
FAIFLEY
CLYDEBANK
37/79797
MARY GALLAGHER

MONEY ADVICE
CENTRE
CLYDEHOLM
SHOPPING CENTRE
CLYDEBANK
041-951-1476
STEVE HEARNS

SOCIAL WORK DEPT.
235 DUMBARTON ROAD
DALMUIR
CLYDEBANK
041-952-3361

WHITECROOK FLAT
INFORMATION SERVICE
28 LAPPIN STREET
CLYDEBANK
041-952-4107

DONT WAIT SEEK HELP AT THE START